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BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268

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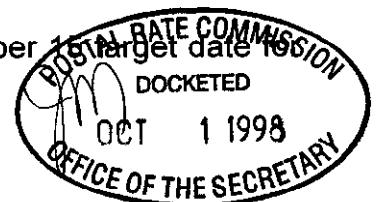
Mailing Online Services

Docket No. MC98-1

**COMMENTS OF PITNEY BOWES ON PROCEDURAL SCHEDULE FOR  
ADJUDICATION OF ITS REQUEST FOR AN EXPERIMENTAL SERVICE**

Pitney Bowes Inc. ("Pitney Bowes") agrees with the Postal Service that the 150-day period provided for in Section 3001.67d of the Rules of Practice is the appropriate interval for adjudicating the Postal Service's request for approval of an experimental service. We disagree vigorously with the Postal Service on the appropriate beginning point for the running of that time. Pitney Bowes proposes that the litigation of the experimental proposal commence on January 15, 1999 and run to June 15, 1999, providing the full 150-day period for adjudicating the merits of a Postal Service proposal under the experimental rules.

As the Commission soundly recognized, "It is important that a market test be designed to help the Commission evaluate a broader follow-on proposal to provide a new service." Order No. 1217 at 7. There are two elements to this observation: the market test must be soundly designed; and the informational fruits of the market test must be integrated into the adjudication of any proposal for the follow-on (here, experimental) service. The schedule proposed by the Postal Service would accomplish neither of these ends. The Postal Service proposes to hold hearings on its witnesses' testimony on October 20 and 21, roughly five days after the October 15 target date for



the real initiation of the market test. See Tr. 1/15. A schedule of that kind guarantees that, however otherwise well designed, the market test will yield absolutely no information beneficial to the Commission in its assessment of the experimental proposal. Pitney Bowes has been accommodating in its reaction to the Postal Service's requests for sensible waivers of the rules of practice; the schedule proposed by the Postal Service is nonsensical and Pitney Bowes objects vigorously to it.

The schedule that we propose is this:

Rule 67a(b) statement <sup>1</sup>	January 15
Further hearings on Postal testimony	February 25, 26, March 1
Intervenor witness testimony	filed March 4
Hearings on intervenor testimony	March 24-26
Postal Service rebuttal testimony filed	April 5 <sup>2</sup>
Hearings on Postal Service rebuttal testimony	April 12-14
Initial briefs filed	May 4
Reply briefs filed	May 14
Target decision date	June 15

If, at the conclusion of examination of the Postal Service's witnesses, none of the intervenors indicates an intention to submit testimony, the intervenor testimony/Postal

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<sup>1</sup> As the Commission has already implicitly found, it has the intrinsic power "... to defer evaluation of the nationwide experiment." Order No. 1217 at 9. Alternatively, it could condition favorable action on the experiment on the filing by the Postal Service of a request for suspension under Section 166 of the rules of practice.

<sup>2</sup> Obviously, if the Postal Service determines not to submit rebuttal testimony, this portion of the schedule could be truncated.

Service rebuttal phases of this schedule could be dropped and the target decision date set at less than the full 150 days.

This schedule provides for the roughly three months of market test initially advocated by the Postal Service. It, then, -- in a sharp deviation from and substantial improvement on the schedule advocated by the Postal Service -- schedules the hearing on the experiment so that there is a prospect for some beneficial use of information assembled in the course of the market test. As noted earlier, the Commission was entirely correct in observing that being able to make use of market test information in follow-on proceedings should be an absolutely necessary condition to approval of the market test.

There is little, if any, detriment to the Postal Service in adopting a reasonably expeditious schedule of adjudication over a foolishly frenetic one. Although the Postal Service has offered a rationale of sorts for the breathtaking schedule that it advocates<sup>3</sup>, it is unlikely that the Postal Service's experiment will be hampered seriously by a short delay in the completion of the regulatory process. In order to be eligible for the Mailing Online service, consumers have to have internet access. This population is generally proficient in electronic navigation and will not in significant numbers be deterred from visiting the Postal Service's website by reason of having to have to type something like "www.usps.gov" -- that gets one to the Postal Service's homepage today -- rather than the hoped for icon. Certainly the right of the Commission to the assembly of an

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<sup>3</sup> The pre-December 1998 decisional deadline urged by the Postal Service is said necessary to "explore the possibility that major software developers could integrate Mailing Online into impending updates of software in order to make the service widely and easily available to individual, small-office, and home-office mailers." Order No. 1217 at 1. Chairman Gleiman questioned the logic of this position in the hearing on the market test. See Tr. 1/19 l. 16-21 l. 1.

adequate record for evaluation of a proposed experiment and the right of competitors or potential competitors with the Mailing Online service, such as Pitney Bowes, to have enough information to intelligently evaluate the fairness of costing and pricing of the proposal substantially outweigh the small potential impact on market penetration represented by the temporary unavailability of an on-screen icon.

The Commission should adopt the schedule we have proposed.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Ian D. Volner", is written over a horizontal line.

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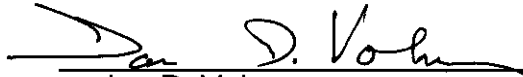
October 1, 1998

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CERTIFICATE OF SERVICE

I hereby certify that I have on this date served this document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

DATE: October 1, 1998

  
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Ian D. Volner